

8 October 1963

MEMORANDUM FOR THE FILE

**SUBJECT: Meeting With Treasury Department Officials Concerning
House Ways And Means Hearing On H. R. 7216**

1. Mr. Warner and [redacted] met with Mr. Stanley S. Surrey, STAT
Assistant Secretary, Mr. Donald Lubick, Mr. William O'Leary, and Mr.
Johannes R. Krahmer, Department of Treasury, to review a proposed
Agency letter to Chairman Mills, House Ways and Means Committee
regarding the pending hearing on the H. R. 7216 provision which exempts
disability payments under the proposed Agency retirement system from
federal taxation. Mr. Surrey reviewed the bidding regarding Agency
justification for tax exemption of disability retirement payments and
concluded that our case (at least from the point of view of Ways and
Means considerations) will stand or fall with the existent Foreign Service
exemption.

2. Mr. Surrey is in accord with the proposed letter to Chairman
Mills and indicated his satisfaction that the Treasury Department and
the Agency are proceeding on the same line of reasoning in approaching
this question with the Ways and Means Committee.

[redacted] STAT
Assistant Legislative Counsel

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